



17 March, 2013

Honorable Legislative Councilors
Panel on Environmental Affairs
Legislative Council Secretariat
2/F Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Honorable Legislative Councilors

Submission for the Environmental Infrastructure Projects (5163DR, 5164DR, 5165DR and 5177DR)

In principle the members of the Australian Chamber of Commerce Hong Kong and Macau (AustCham) agree that it is necessary, if Hong Kong is to be able to manage its waste disposal in the next decade, to extend the operations of the three landfills, and begin building the Integrated Waste Management Facility (IWMF).

But like many other Hong Kong stakeholders, AustCham's members are concerned that once an extension to the landfills is approved, the Administration might once again fail to:

- a. Approach Hong Kong's future waste management planning in a competent, realistic and timely manner;
- b. Communicate transparently and often with Hong Kong's stakeholders in relation to the options;
- c. Consider current technology, preferring older solutions;
- d. Consider waste as a fuel for generating energy and lowering fuel bills, because it will require potential changes to both the waste and energy status quo.

The members of AustCham understand the enormity and importance of the challenge, and encourage Hong Kong's Administrators and Legislators to meet that challenge head on, on behalf of all Hong Kong stakeholders.

1. MSW Reduction

As such the Australian Chamber of Commerce welcomes the Hong Kong Blueprint for Sustainable Use of Resources 2013-2022 which proposes the reduction of municipal solid waste (MSW) by 40 percent by 2022. To reduce the per capita disposal rate from 1.36kg per day to 0.8kg is not unreasonable. But to be successful, the Administration will need to be much more active along the whole length of the waste management chain (prevention at source, reuse, recycling,

recovery and treatment) and engaging different stakeholder groups on the issues that are relevant.

2. Incineration

We also support the target of 55 percent of waste being recycled and 23 percent incinerated by 2022, leaving only 22 percent of waste to be disposed in landfill. Advanced incineration is undoubtedly part of Hong Kong's future waste and energy solutions. There is concern amongst AustCham's membership that the Hong Kong Government's policy with regard to procuring large infrastructure might impede the best choice of technology. We understand that the Government will only purchase technology with a decade of successful operation. Given the recent advances of incineration technology, and the ability of more modern technologies to generate more energy from the same amount of waste, we hope that the Hong Kong Administration can be pragmatic in its scoping and specification of technology for this project. We would hate to think that Hong Kong might invest in a lesser technology for the sake of political safety.

Integration with Energy Strategy

Clearly, the benefit of a waste to energy incinerator is the reduced need for power generation. One of the things that has concerned the members of AustCham has been the way the Administration appears to continue to manage energy and waste as discrete projects. The Government has not appeared to conduct any education campaign for the general public, to explain how the issues of energy and waste can be co-managed.

Emissions

Given the concern around air pollution in Hong Kong, incinerator emissions are a community issue. The Hong Kong Government has never satisfactorily responded to the media's claims that Hong Kong's air pollution exceeds World Health Organization guidelines, hence Hong Kong stakeholders remain suspicious. Only through diligent, transparent communication, and improved air quality, will the Hong Kong Government be able to regain this trust. The Administration refers to EU Standards, but does not explain what these are, nor their impact given Hong Kong's already polluted air quality.

3. Recycling

Australia has a strong track record when it comes to recycling. As yet Hong Kong has not been successful in developing a separation culture amongst individuals and businesses. Nor has it managed a successful collection system that supports and encourages the volume of separation that is necessary if recycling is to become a sustainable industry.

Hong Kong needs to change the attitude that views recycling as an industry that cannot be successful without subsidy. This is just not true. With permanent processes and infrastructures the separation and collection of materials that can be re-used and recycled can be very successful. Hong Kong needs to stop viewing recycling as something nice to have, and get down to the business of making it a permanent fixture in Hong Kong's mindset. Recycling drives innovation. The culture of recycling in Australia and Europe has motivated businesses to look for new ways to use existing resources. When recycling began in Australia in the late 1980s there was only one way to recycle plastic, by casting a mixed load into wood-like panels and planks and using it for furniture and fencing. Now plastics can be used for any number of new things from clothing, to carpets, to furniture filling. Recycling drove this innovation.

We believe that there is much effort that can be made in relation to processes, infrastructure and behavioral change with regard to plastic, glass, construction materials especially wood and concrete waste, and electrical and electronic waste. The development of these systems should be a priority for Hong Kong.

This is an area where Australia has been very successful. Australian Governments and businesses would be delighted to host Hong Kong Government representatives and businesses in Australia to show what can be accomplished. The Australian Chamber of Commerce in Hong Kong would be pleased to coordinate this activity should any organization in Hong Kong like to accept this offer.

4. Use of Regulation

The members of AustCham would like to see the Hong Kong Government use regulation to drive desired behavior. Waste charging and Producer Responsibility Scheme (PRS) regulation must be used as a means to change behavior not to generate income for the Government. Clearly the Producer Responsibility regulation is a threatening impost to business, but what is the outcome that the Government wants to achieve, beyond charging people for disposing of certain materials? It's not fair to penalize business when there are no alternatives to dispose of their products when consumers are finished using them.

Austcham recognises that this is a great opportunity for Hong Kong to address its waste management issues in a holistic manner and correct the problems of today so they do not affect the generations of the future. The proposed timescale and scope of planning, infrastructure building and education is on a scale that matches other large successful projects in Hong Kong such as the Chep Lap Kok airport but requires a much larger buy in from the people of Hong Kong for it to work. We encourage the Hong Kong government and its people not to let this opportunity slip by.



Yours faithfully

Chris Knop
Chair, Sustainable Development Committee
Australian Chamber of Commerce Hong Kong and Macau

CC: Cyd Ho Sau Lan, Legislative Council Member
Chair, Panel on Environment Affairs

Wong Kam Sing, JP
Secretary for the Environment

Christine Loh Kung Wai, JP
Under Secretary for the Environment

Environment Bureau